

M e m o r a n d u m

To: Panel Members Date: September 22, 2006

From: Dolores Kendrick, Manager Analyst: V. Salazar

Subject: One-Step Agreement for **SOUTHERN CALIFORNIA PAINTING & DRYWALL INDUSTRIES APPRENTICESHIP TRUST (SET, W2W)**

CONTRACTOR:

- Multiple Employer: Trade Association
- Training Project Profile: Job Creation: Training Of Unemployed Workers
SET-Workers Earning At Least The State
Average Hourly Wage
- Legislative Priorities: Developed Jointly By Management And Workers
Displaced/Potentially Displaced Workers
- Type of Industry: Construction
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: Yes
- Name and Local Number of Union
Representing ETP Trainees: Painters & Allied Trades District Council 36

CONTRACT:

- Program Costs: \$210,265
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$13,907
- Total ETP Funding: \$224,172
- Total In-kind Contribution: \$290,000
 - *Trainee Wages Paid During Training:* \$250,000
 - *Other Contributions:* \$40,000
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide
- Location of Training: 100% Center Based; 0% Employer Site

INTRODUCTION:

The Southern California Painting & Drywall Industries Apprenticeship Trust (Trust) is eligible to hold a multiple employer contract as a "group of employers" pursuant to Title 22 California Code of Regulations, Section 4400 (j)(3). The Trust provides training at the pre-apprenticeship, apprenticeship, and journey level for workers in the painting, drywall and allied trades. In this proposal, the Trust seeks reimbursement for three training components.

Job Number One would be pre-apprenticeship training for workers with multiple barriers to employment, using Special Employment Training (SET) funds. Job Number Two would be pre-apprenticeship training for CalWORKS recipients under the Welfare to Work (W2W) pilot program. Both of these jobs would be for new hire training.

Job Number Three would be SET-funded retraining for journey-level workers earning at least the statewide average hourly wage at the end of retention.

MEETING ETP GOALS AND OBJECTIVES:

The Trust proposes training that would further the following ETP goals and objectives:

- 1) To train frontline workers in skilled jobs with high wages.
- 2) To help workers with multiple barriers and CalWORKS recipients find secure jobs with a steady wage progression.
- 3) To fund training that is jointly sponsored by representatives of labor and management.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/ Lab Video. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After Retention
Job Number 1 SET: Multiple Barriers Pre-Apprentice New Hire	<u>Menu Curriculum:</u> Commercial Skills Business Skills Computer Skills Literacy Skills	30	100 - 200	0	\$3,165 average	*\$10.75 - \$16.83
Job Number 2 W2W New Hire	<u>Menu Curriculum:</u> Commercial Skills Business Skills Computer Skills Literacy Skills	7	100 - 200	0	\$3,346 average	*\$10.75 - \$16.83
Job Number 3 SET: Journey Level Worker Retrainees	<u>Menu Curriculum:</u> Commercial Skills Business Skills Computer Skills Literacy Skills	100	24 - 80	0	\$1,058 average	*\$21.50 - \$28.72
<u>Wages After Retention</u>						
<u>SET: Multiple Barriers & W2W</u> Pre-Apprentice: Painter, Drywall Finisher, Glazier						
<u>SET: Journey Level</u> Painter, Drywall Finisher, Glazier and Administrator						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> Health benefits will vary by participating employer and may be added to the trainee's wage to meet the ETP minimum hourly rate of \$10.75 for SET & W2W new hire trainees in Los Angeles, Orange, Ventura, Oxnard, Imperial, Riverside, San Bernardino, San Diego, and all other Counties. Health benefits may also be used to meet the statewide average hourly wage of \$21.50 for SET retrainees.					<u>Turnover Rate</u> 20% or less	<u>% Of Mgrs & Supervisors To Be Trained:</u> 0%
<u>Other Employee Benefits:</u> Other employee benefits will vary by participating employer.						

COMMENTS / ISSUES:

➤ *Frontline Workers*

All trainees meet the Panel definition of frontline workers. (T.22, C.C.R. Section 4400(ee).)

➤ *Production During Training*

The Trust agrees that, during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

Apprenticeship Training

Although the Panel is precluded by its enabling law from funding apprenticeship training, it has regulatory authority to fund pre-apprenticeship training. (UI Code Section 10200(a)(4); T.22, C.C.R. Section 4403.1.)

Trust representatives state that they worked closely with painter and drywall unions and employers to develop and refine the proposed curriculum; and, to develop placement opportunities such that this training will operate as a “feeder” program for union apprenticeships that are directly linked to the participating employers. The program was designed to provide trainees with the skills they need to work as a first-period apprentice in one of the specified occupations. Trainees who do not immediately go to work as first-period apprentices – either because their chosen trade is not currently open, or because they were not successful in passing the entrance exam – will still be placed with participating employers at comparable wages and benefits. Those employers will provide continued training and the opportunity for career advancement.

RECOMMENDATION:

Staff recommends approval because the new hire components would reach a hard-to-place trainee population -- Job Number One with multiple barriers to employment and Job Number Two with CalWORKS recipients -- and would prepare these trainees for apprenticeship in a trade with job security and wage progression. The retrainee component under Job Number Three is designed to raise skill levels and reduce periods of unemployment for journey workers in the painting and drywall trade.

NARRATIVE:

The Trust is a non-profit institution established in 1908, providing apprenticeship and journey-level training on behalf of the employees represented by the Painters & Allied Trades District Council 36. The Trust is administered by a Joint Apprenticeship Training Committee with both employer and union members.

At present the Trust operates six different apprenticeship programs approved by the Division of Apprenticeship Standards: painter, drywall finisher, lead worker, glassworker, glazier, and plasterer. As expressed in the attached Menu Curriculum, the proposed training will focus on painters, drywall finishers and glaziers, although administrators will be included in Job Number

NARRATIVE: (continued)

Three. The training will be largely conducted at the Trust's training facility in the City of Commerce, which has a staff of over 20 instructors.

Studies conducted in 2006 by statewide Joint Apprenticeship Committees and the State Building and Construction Trades Council predict continued growth in residential and commercial construction throughout California. The studies indicate there will be a shortage of skilled workers who can pass entrance exams and succeed in apprenticeship training, relative to the high demand for construction in California. Through its own recent surveys of labor and management representatives, the JATC found that Southern California contractors are more demanding in their training requirements than those in other regions of the state.

The JATC maintains contact with employers that have hired recent program graduates, and is active in organizations such as the Los Angeles and Orange County Building and Construction Trades Council, the California Apprenticeship Council, and various labor unions. Each of the labor organizations it works with has many signatory contractors that are potential participating employers for program graduates. The recruitment of participating employers will also be done through direct mail, telephone calls, public service, and e-mail announcements.

This is the second ETP-funded training project for the Trust. The first project served as a pilot to establish a pre-apprentice program under the auspices of the JATC. As a result of that pilot, the JATC believes there is a continued need to qualify students for the apprenticeship program with pre-apprenticeship training. The JATC has received positive feedback from employers that have hired the pre-apprentice trainees.

The pre-apprenticeship trainees in Job Number One and Job Number Two will be eligible for 100-200 hours of training. This will include the **Commercial Skills** necessary to enter an apprenticeship program, along with **Business Skills**, **Computer Skills** and **Literacy Skills**. A list of courses available in each of these areas is set forth in the attached Menu Curriculum. The majority of training will be in a classroom setting, but the pre-apprenticeship trainees will also complete a construction project in an "outdoor laboratory" in order to receive hands-on experience.

The retrainees in Job Number Three will be eligible for 24-80 hours of training in the **Commercial Skills** necessary to improve their journey-level abilities, along with **Business Skills**, **Computer Skills** and **Literacy Skills**. As shown on the Menu Curriculum, the scope of this training will be advanced. In addition, it will include special training in for workers who must handle lead-based paint. This 24-hour course module will teach the skills necessary for proper mixing of the product, painting with brush and spray techniques, knowledge of the carcinogens in lead paint, safety procedures, and handling disposal. This training is being introduced in the October 2006 and will be required training for all painters, drywall finishers and allied trades in the construction industry.

Each of the participating employers is focused on improving frontline workers skills to maintain competitiveness and market share. The Trust states that the very nature and structure of the employer involvement on the JATC illustrates their commitment to the ongoing education of their frontline workers.

NARRATIVE: (continued)

Employer Demand

Panel policy requires multiple employer contractors provide evidence of employer demand for training. The Trust maintains that demand is implicit since it provides journey-level training as requested by signatory employers, to the extent funds are available.

New Hire Wages and Retention

The SET trainees with multiple barriers in Job Number 1, and the CalWORKS recipient trainees in Job Number 2 must receive the new-hire ETP minimum wage of \$10.75 per hour at the end of retention, for all counties in which they trainees are placed. All of these new-hire trainees will be required to complete either a standard retention period of 90 days with one employer; or, a "standard for the industry" retention period of 500 hours within 150-days with no more than three employers.

New-hire Recruitment Plan

The Trust will publicize the availability of training under this program through the Southern California Joint Apprenticeship Council and District Council 36. In doing so, the Trust will use direct mailings, brochures/flyers, personal contacts, telephone calls, public service announcements and e-mail announcements.

The Trust will also promote this training program at labor-management meetings and industry assemblies, conferences, and trade shows. An informational brochure will be mailed to painter, drywall, and glazier contractors in Los Angeles County and surrounding Southern California counties; and will be handed out when calling on businesses, at trade shows and other employer meetings. The brochure will be targeted to business owners, company presidents, human resource managers, plant managers and other senior executives in the industry.

Finally, the Trust has a CalWORKS outreach program that is already operational in areas of high unemployment in Los Angeles, Orange, San Bernardino, and Riverside Counties.

SUBCONTRACTORS: N/A

THIRD PARTY SERVICES: N/A

PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with the Trust within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	Planned In-kind Contribution	Reported In-kind Contribution
ET04-0547	Commerce	6/31/04 - 6/30/06	\$213,680	\$0 *	\$100,000	\$105,000

**The project administrator reported that 81 of the planned 100 trainees were retained in this ETP program, for a projected final retention rate of 81 percent. Specifically, he reported that 71 Job 1 and 10 Job 2 participants were placed and retained. The project administrator also indicated that she is in the process of preparing final billing for all 81 participants and should submit the final invoice to ETP by September 05, 2006. If all 81 trainees are retained, the estimated earnings for Job 1 will be \$181,263, and \$3,120 for Job 2; for projected total earnings of \$184,383 (86%).*

Southern California Painting & Drywall
Industries Apprenticeship Trust

MENU CURRICULUM

PRE-APPRENTICESHIP TRAINING

CLASS/LAB HOURS

100 – 200 Hours Trainees will be provided any of the following:
Job Number 1 & 2

1. BUSINESS SKILLS

- Teambuilding Skills
- Leadership Skills
- Customer Service Skills
- Conflict Resolution
- Problem Solving
- Decision Making Skills
- Inventory Checklist
- Time Management

2. COMMERCIAL SKILLS

- Construction Math
- Tool Identification
- Introduction to Hand and Power Tool Use
- Blue Print Reading
- Building Methods and Materials
- Structural Technology
- Confined Space
- Hazardous Materials
- Safe Work Practices

PRE-APPRENTICESHIP BUILDING AND CONSTRUCTION TRADES

Job-specific commercial skills for the occupations listed below will be provided to trainees in accordance with their training needs assessment for their particular Pre-Apprentice Building and Construction trade:

- Drywall
- Painters
- Glaziers

Southern California Painting & Drywall
Industries Apprenticeship Trust

MENU CURRICULUM (continued)

3. COMPUTER SKILLS

- Multi Administrative/Accounting System (MAS 90)
- Scheduling & Planning Jobs (SPJ)
- Virtual Interface Painting (VIP)
- Job Tracking System (JTS)
- Automated Systems Applications (ASA)

4. LITERACY SKILLS

- Basic Math Remediation
- Reading Comprehension
- Basic Grammar, Vocabulary and Writing

(Literacy Skills hours not to exceed 45% vocational skills training. However, for W2W trainees 50 percent of the total training hours may be in Literacy Skills)

JOURNEY LEVEL TRAINING

CLASS/LAB HOURS

24 – 80 Hours Trainees will be provided any of the following:
Job Number 3

1. COMMERCIAL SKILLS

- Reduction Training and Application
- Upgraded Lead Handling Skills
- Teamwork Skills
- Leadership Skills
- Painter/Drywall Skills
- Proper Equipment Set-up
- Laser Guided Spray Equipment Techniques
- Usage Measurements and Proper Application
- Volatile Reduction and Volatile Organic Compounds
- Volatile Organic Compound Testing Materials and Equipment
- Appropriate Set-up of Testing Equipment
- Management and Monitoring of Materials
- Industrial Refinery Coatings

Southern California Painting & Drywall
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MENU CURRICULUM (continued)

- Carbon Filter Tank Coating Application
- Materials and Equipment Testing for Industrial Use

2. COMPUTER SKILLS

- Multi Administrative/Accounting System (MAS 90)
- Scheduling & Planning Jobs (SPJ)
- Virtual Interface Painting (VIP)
- Job Tracking System (JTS)
- Union Accounting System (UAS)
- Automated Systems Applications (ASA)

3. BUSINESS SKILLS

- Teambuilding Skills
- Leadership Skills
- Customer Service Skills
- Conflict Resolution
- Problem Solving
- Decision Making Skills
- Inventory Checklist
- Time Management

4. LITERACY TRAINING

- Vocational English as a Second Language
- Workshop and Construction Math
- Reading Comprehension
- Grammar, Vocabulary and Writing

(LITERACY SKILLS HOURS NOT TO EXCEED 45% VOCATIONAL SKILLS TRAINING)

Comment: The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)

Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: **Southern California Painting & Drywall Industries Apprenticeship Trust** CCG No.: ET07-0175

Reference No: **07-0042**

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PRINT OR TYPE

Company: **Carbo Painting, Inc.**

Address: 13737 Inglewood Avenue, #203

City, State, Zip: Hawthorne, CA 90250

Contact Person/Title: Ken Anderson

Telephone No.: (310) 322-5820

Collective Bargaining Agreement(s): Painter, Drywall, & Allied Trades Local District #36

Estimated #of employees to be retrained or hired under this Agreement: 25

Total # of full-time company employees worldwide: 55

Total # of full-time company employees in California: 55

Company: **Murphy Industrial Coatings, Inc.**

Address: 2704 Gundry Avenue

City, State, Zip: Signal Hill, CA 90755-1811

Contact Person/Title: Stephen Murphy, President

Telephone No.: (562) 427-7720

Collective Bargaining Agreement(s): Painter, Drywall, & Allied Trades Local District #36

Estimated # of employees to be retrained or hired under this Agreement: 30

Total # of full-time company employees worldwide: 50

Total # of full-time company employees in California: 50

Company: **Wilson & Hampton Painting Contractor**

Address: 1524 W. Inable Street / P.O. 9949

City, State, Zip: Anaheim, CA 92813

Contact Person/Title: Douglas J. Hampton, President

Telephone No.: (714) 772-5091

Collective Bargaining Agreement(s): Painter, Drywall, & Allied Trades Local District #36

Estimated #of employees to be retrained or hired under this Agreement: 50

Total # of full-time company employees worldwide: 93

Total # of full-time company employees in California: 93